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FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES IN THE MIDDLE EAST

United Nations Disengagement Observer Force

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force (UNDOF) (A/48/700) and the United Nations Interim Force in Lebanon (UNIFIL) (A/48/841). During its consideration of the items, representatives of the Secretary-General provided additional information to the Advisory Committee.

I. UNITED NATIONS DISENGAGEMENT OBSERVER FORCE

2. UNDOF was established by the Security Council in its resolution 350 (1974) of 31 May 1974; its mandate has since been extended, most recently by Security Council resolution 887 (1993) of 29 November 1993, for another period of six months until 31 May 1994.

3. As stated in paragraph 4 of document A/48/700, as at 31 October 1993, assessments totalling $1,034.1 million had been apportioned among Member States in respect of UNDOF and the United Nations Emergency Force (UNEF II) for the period since their establishment in 1973-1974 to 30 November 1993. The Committee was informed that the figure of $21.1 million cited in the same paragraph as the difference between the total outstanding contributions of $58.6 million and the amount of $36 million transferred to a special account should read $22.6 million. The Committee was further informed that as at 28 February 1994, that figure had been reduced to $21.6 million.

4. In paragraph 10 of document A/48/700, the Secretary-General points out that "the unaudited financial statement for UNEF/UNDOF covering the 12-month period from 1 December 1991 to 30 November 1992, as at 30 June 1993, indicates that there is a surplus balance of $5,109,799 representing excess of income over expenditure"; income includes assessed contributions unpaid irrespective of collectibility. The Secretary-General proposes that, until the level of outstanding assessed contributions is reduced, the "surplus of $5,109,799, which otherwise would have to be surrendered as credits to Member States, be entered into the suspense account established pursuant to General Assembly resolution 33/13 E of 14 December 1978" (A/48/700, para. 11).

5. The Advisory Committee notes from the unaudited interim financial statements for the 18-month period of the biennium 1992-1993 ended 30 June 1993 that a total of $64.9 million is currently being held in suspense in respect of UNDOF.

6. The Advisory Committee, taking into account the balance of $64.9 million in the suspense account, the status of assessed contributions to UNDOF and the fact that full reimbursement in accordance with the standard rates of reimbursement has been made on a current basis to troop-contributing States (see A/48/700, para. 9), sees no need to enter the surplus balance of $5,109,700 into the suspense account. It therefore recommends that the surplus be credited to Member States.

Performance report for the period from 1 December 1992 to 30 November 1993

7. Annex II to the Secretary-General's report provides supplementary information in respect of the performance of UNDOF for the period from 1 December 1992 to 30 November 1993; a summary statement, by line item, of expenditures incurred during this period is provided in annex I. As shown therein, total savings are estimated at $706,000 gross ($640,000 net); the Secretary-General proposes to credit the $640,000 to Member States against their assessments in respect of such future mandate periods as may be approved by the Security Council (A/48/700, para. 12 (c)). The Advisory Committee concurs in this course of action.

8. As shown in annex I, an overexpenditure of $483,000 was incurred in respect of electronic data-processing (EDP) equipment, for which no resources had been budgeted in the original cost estimate for the period in question. The Committee notes the explanation contained under item 9 in annex II that "an extensive acquisition and installation of EDP equipment and software, undertaken in connection with the computerization programme for procurement and warehousing for UNDOF, including an electronic mail system, resulted in an overexpenditure".

9. In response to inquiry, the Committee was informed that the computerization programmes for both UNDOF and UNIFIL had been proposed by the respective Force Commanders to the Secretary-General in the context of the streamlining exercise for the two missions (see paras. 10 and 33 below); the proposed equipment was

required to compensate for the reduction in staff. The Secretary-General approved the proposal for UNDOF on 15 March 1992.

10. The Advisory Committee recalls that, in his report to the Security Council of 19 May 1992, the Secretary-General reported that "with a view to reducing expenditures, UNDOF is in the process of undergoing a streamlining, which will involve a 15 per cent reduction of each military contingent and of the internationally recruited civilian staff, with attendant savings in transport and accommodations ..." (S/23955, para. 3). In his subsequent report of 19 November 1992, the Secretary-General reported that the streamlining had been completed (S/24821, para. 2). The effect of that streamlining was reported by the Secretary-General in paragraph 8 of document A/47/620, wherein he noted that the estimate for the period from 1 December 1992 to 30 November 1993 incorporated a 15 per cent reduction in military personnel and civilian staff as well as reductions in the number of vehicles and savings in rental costs.

11. The Committee inquired as to why the Secretary-General's estimates as contained in document A/47/620 for the same period, i.e. 1 December 1992-30 November 1993, had not included provision for the data-processing equipment that was considered necessary in view of the streamlining (see paras. 8 and 9 above). The Committee was informed that the details for the proposed computerization had not been finalized at that point. Representatives of the Secretary-General also emphasized that, as indicated in item 9 (ii) in annex IV to document A/48/700, no provision for data-processing equipment was required in respect of the period from 1 December 1993 to 30 November 1994.

12. Notwithstanding the above, the Advisory Committee is of the view that the fact that such a programme was envisaged should have been highlighted; i.e. the total impact of the streamlining should have been addressed, if only in general terms. The Committee also reiterates its oft-stated recommendation that adequate and complete explanations for savings/overruns be provided in performance reports. In this connection, the Committee points out that no detailed information has been provided in the performance report concerning the actual equipment procured under this programme. These observations are equally applicable to UNIFIL (see paras. 32 and 33 below).

Cost estimate for the period from 1 December 1993 to 30 November 1994

13. The Secretary-General estimates the cost of UNDOF at $2,680,000 gross ($2,599,000 net) per month from 1 December 1993 onwards; the total costs for the period from 1 December 1993 to 30 November 1994 are estimated at $32,160,000 gross ($31,188,000 net), as compared with the total of $35,704,000 gross ($34,793,000 net) for the 12-month period ending 30 November 1993 (see A/48/700, annex III). In this connection, the Secretary-General notes in paragraph 8 of the main report that the estimate incorporates an additional overall reduction of approximately 7.8 per cent in military personnel from an authorized strength of 1,124 troops to 1,036. A 6.7 per cent reduction in local costs is also proposed.

14. Annex V to document A/48/700 provides a breakdown of the current and proposed military strength; the Advisory Committee notes that a number of changes are foreseen including the scheduled withdrawal of the Finnish infantry

battalion referred to in paragraph 8 of the main report, as well as in paragraph 6 of the Secretary-General's report to the Security Council of 22 November 1993 (S/26781), where the Secretary-General informed the Council that the "Finnish infantry battalion would be replaced by a Polish unit and that logistic support for the Force would be consolidated in the hands of the Canadian logistic unit."

15. A total of 120 civilian posts are proposed for the period in question, representing a decrease of 6 local posts. The Committee was informed that that was a consequence of the decrease in military strength. The Committee observes that this decrease is proportionally less than the decrease in military strength.

16. As shown in annex III, an amount of $462,000 has been included in the estimate in respect of reimbursement for contingent-owned equipment. (The figure of $626,000 shown in annex IV, item 1 (c) (i) is incorrect.) The Committee was informed that the amount of $462,000 included provision of $96,800 for the procurement of 15 replacement vehicles, as discussed in item 5 (a) in annex IV to document A/48/700. As noted therein, the vehicles would be procured from troop-contributing Governments as contingent-owned equipment. The cost of the vehicles ($968,000), would be payable over a 10-year period; i.e. the equipment would be procured under a lease-purchase type of arrangement.

17. In response to inquiry, the Committee was informed that the balance of the estimate for reimbursement for contingent-owned equipment ($365,200) was based on payments to be made in accordance with a "30-30-20-20" depreciation scale.

18. The estimate for death and disability compensation amounts to $300,000. In response to inquiry, the Committee was informed that obligations amounting to $1.6 million exist in respect of previous periods and that there are a number of pending claims. The Committee reiterates its recommendation for a more detailed consideration of the entire question of death and disability compensation (see A/47/990, para. 26).

19. The Advisory Committee recommends that the General Assembly appropriate the amount of $18,204,000 gross ($17,718,000 net) authorized and apportioned in paragraph 7 of General Assembly resolution 47/204 for the period from 1 June to 30 November 1993. As mentioned above, the Committee also concurs in the Secretary-General's proposal to credit to Member States the amount of the unencumbered balance of $640,000 for the period from 1 December 1992 to 30 November 1993 against their assessments in respect of such future mandate periods as may be approved by the Security Council.

20. With regard to the period after 30 November 1993, the Advisory Committee recalls that, by its decision 48/463 of 23 December 1993, the General Assembly authorized the Secretary-General to enter into commitments up to the amount of $10,720,000 gross ($10,396,000 net) for the period from 1 December 1993 to 31 March 1994. By the same decision, the General Assembly decided that it was not necessary to assess that amount.

21. On the basis of the information before it, the Advisory Committee recommends that the Assembly approve the Secretary-General's estimate of

$32,160,000 gross ($31,188,000 net) for the period from 1 December 1993 to 30 November 1994. It further recommends that one half of that amount, i.e. $16,080,000 gross ($15,594,000 net) be appropriated and assessed at this stage in respect of the period from 1 December 1993 to 31 May 1994. Subject to the decision to be taken by the Security Council on the renewal of UNDOF after 31 May 1994, the Committee recommends that the Secretary-General be given commitment authorization not exceeding $2,680,000 gross ($2,599,000 net) per month for the period from 1 June to 30 November 1994, and that these amounts be assessed on Member States.

II. UNITED NATIONS INTERIM FORCE IN LEBANON

22. UNIFIL was established by Security Council resolution 425 (1978) of 19 March 1978 for an initial period of six months and has since been extended, most recently by Security Council resolution 895 (1994) of 28 January 1994 for a further period of six months until 31 July 1994.

23. As shown in paragraph 4 of document A/48/841, as at 31 October 1993, an amount of $2,276.4 million had been assessed among Member States in respect of UNIFIL for the periods from inception of the Force to 31 January 1994. The Committee was informed that, as at 28 February 1994 the total of outstanding contributions in respect of that amount was $204.4 million, which does not include contributions due in respect of the apportionment authorized by General Assembly decision 48/464.

24. As indicated in paragraph 15 of document A/48/841, the unaudited financial statement for UNIFIL covering the 12-month period from 1 February 1991 to 31 January 1992 as at 30 June 1993 shows a surplus balance of $5,769,036, representing excess of income over expenditure; income includes assessed contributions irrespective of collectibility. The Secretary-General, in view of the level of outstanding assessed contributions, recommends in paragraph 16 that "the surplus of $5,769,036, which otherwise would have to be surrendered as credits to Member States, be entered into the Suspense Account established pursuant to General Assembly resolution 34/9 E of 17 December 1979".

25. The Advisory Committee notes from the unaudited interim financial statements for the 18-month period of the 1992-1993 biennium ended 30 June 1993 that a total of $90.4 million is currently being held in suspense in respect of UNIFIL.

26. The Committee also notes that, as discussed in paragraphs 11 to 14 and 17 of document A/48/841, UNIFIL has been unable to reimburse in full the amounts due to troop-contributing Governments for their participation in UNIFIL. Not only have reimbursements been met only up to 31 January 1991 (para. 17), but also the provisional reimbursement rate is less than the approved rates (paras. 12 and 13). As shown in paragraph 14 of document A/48/841, as at 31 October 1993, amounts due to former and current troop-contributing Governments for troop costs are estimated at $65.6 million.

27. Bearing in mind the status of unpaid contributions as well as the status of reimbursements to troop-contributing Governments, the Advisory Committee concurs

in the Secretary-General's proposal to enter the surplus balance of $5,769,036 into the Suspense Account.

Performance report for the period from 1 February 1993 to 31 January 1994

28. As shown in annex I to document A/48/841, savings in the amount of $1,194,000 are estimated in respect of the period from 1 February 1993 to 31 January 1994; the Secretary-General, in paragraph 18 (c) of the main report proposes to credit this amount to Member States against their assessments in respect of such future mandate periods as may be approved by the Security Council.

29. The Advisory Committee notes from annexes I and II to document A/48/841 that the overexpenditure under civilian staff costs relates in large measure to increased requirements for local staff and general temporary assistance, offset by savings in respect of international staff. As indicated under item 2 of annex II, additional local personnel were engaged under general temporary assistance to compensate for the vacant international posts.

30. In response to inquiry, the Committee was informed that personnel from both UNDOF and UNIFIL are frequently deployed to new peace-keeping operations in the initial stages in view of their expertise and experience. Instead of recruiting long-term replacements, additional local staff are often engaged; this trend is reflected in the staffing proposals for the period from 1 February 1994 to 31 January 1995 (see para. 35 below).

31. Savings of $1,798,000 are estimated in respect of helicopter operations; as stated under item 6 in annex II, "the reduced requirements ... reflect the revised agreement with the Government of Italy, effective 1 July 1993, for the provision of a fleet of four Bell 205 helicopters at an annual cost of $1,140,000. No hourly costs would be charged to UNIFIL". The effect of this agreement also reflects on the estimates for the period from 1 February 1994 to 31 January 1995 as shown in item 6 in annex IV.

32. The overexpenditure under other equipment is largely attributable to increased requirements for data-processing equipment related to the continuing computerization programme. As in the case of UNDOF (see para. 9 above), the computerization programme for UNIFIL, approved by the Secretary-General on 2 June 1992, was intended to compensate for the reduction in staff brought about by the streamlining exercise proposed by the Secretary-General for UNIFIL.

33. In this connection, the Committee recalls that recommendations for streamlining UNIFIL were proposed by the Secretary-General in his report of 28 January 1991 to the Security Council (S/22129/Add.1) and the Security Council approved the recommendations in its resolution 734 (1992) of 29 January 1992. In his report of 22 January 1993 (S/25150), the Secretary-General reported that UNIFIL had completed the 10 per cent reduction of its military strength as provided by Security Council resolution 734 (1992) and that posts for international and local staff had been reduced by 17 and 10 per cent respectively (para. 7).

Cost estimate for the period from 1 February 1994 to 31 January 1995

34. The costs of UNIFIL for the period from 1 February 1994 to 31 January 1995 are estimated at $11,857,000 gross ($11,474,500 net) per month; as shown in annex III, the total costs for this period are estimated at $142,284,000 gross ($137,694,000 net) as compared with $145,349,000 gross ($141,984,000 net) for the previous 12-month period.

35. As stated under item 2 in annex IV to document A/48/841, the Secretary-General proposes to abolish 37 international posts (6 General Service and 31 Field Service) and to establish 19 new local level posts, thereby reducing the overall staffing establishment by 18, from 542 to 524 posts, as shown in annex V to that document. This proposal relates, as discussed in paragraph 30 above, to the increased usage of local staff who are engaged to compensate for the deployment of international staff to other missions. The Committee was also informed that the reduction relates to the continued efforts to streamline its operations.

36. The estimate for electronic data-processing equipment amounts to $345,000 and provides for the equipment described under item 9 (b) in annex IV to document A/48/841. As pointed out above, no details were provided as to the equipment purchased during the previous mandate period, thereby hampering a review of the proposed requirements for the period from 1 February 1994 to 31 January 1995. The Advisory Committee also expresses its concern with regard to some of the unit costs that have been quoted; in this connection it reiterates its concern with regard to procurement for peace-keeping operations that "current procedures need to be examined and urgent measures taken to enhance cost-effectiveness and efficiency" (A/47/990, para. 30).

37. The Committee was informed that the computerization programme in both UNDOF and UNIFIL was intended, inter alia, to support personnel, logistic, administrative, procurement and transport functions; it was also the intention of representatives of the Secretary-General to provide the Committee with a summary of the programme in both operations. The Committee does not recommend a reduction to the estimate at this stage; however, it trusts that the above-mentioned report will be submitted as soon as possible and that future submissions will provide more complete information in this regard.

38. The Advisory Committee recommends that the General Assembly appropriate the amount of $146,280,000 gross ($143,178,000 net) authorized and apportioned under the terms of paragraph 2 of General Assembly resolution 47/205 for the period from 1 February 1993 to 31 January 1994. As mentioned above, the Advisory Committee also concurs with the Secretary-General's proposal to credit to Member States the amount of the unencumbered balance of $1,194,000 for this period against their assessments in respect of future mandate periods.

39. With regard to the period from 1 February to 31 July 1994, the Advisory Committee recommends that the General Assembly appropriate an amount of $71,142,000 gross ($68,847,000 net), i.e. six months at a monthly rate of $11,857,000 gross ($11,474,500 net). In this connection, the Committee recalls that, by its decision 48/464, the Assembly decided to authorize the Secretary-General to enter into commitments up to the amount of $24 million

gross ($23.5 million net) for UNIFIL for the period from 1 February to 31 March 1994, should the Security Council extend the Force beyond 31 January 1994; the Assembly also decided to apportion the amount of $22,876,000 gross ($22,400,000 net) among Member States. Accordingly, the Committee recommends that an amount of $48,266,000 gross ($46,447,000 net) be assessed in respect of the above-mentioned appropriation.

40. Subject to the decision to be taken by the Security Council on the renewal of UNIFIL after 31 July 1994, the Committee recommends that the General Assembly approve commitment authority up to the level of $11,857,000 gross ($11,474,500 net) per month from the period from 1 August 1994 to 31 January 1995, and that these amounts be assessed on Member States.